FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1176192-0

Total Deleted Page(s) = 16
Page 29 ~ b6; b7C; b7D; b7E;
Page 30 ~ b6; b7C; b7D; b7E;
Page 31 ~ b6; b7C; b7D; b7E;
Page 34 ~ b7D; b7E;
Page 35 ~ b7D; b7E;
Page 36 ~ b7D; b7E;
Page 37 ~ b6; b7C; b7D; b7E;
Page 38 ~ b7D; b7E;
Page 43 ~ b6; b7C; b7D;
Page 46 ~ b6; b7C; b7D; b7E;
Page 47 ~ b7D; b7E;
Page 69 ~ b3; b6; b7C; b7D;
Page 70 ~ b3; b6; b7C;
Page 71 ~ b3; b6; b7C;
Page 72 ~ b3; b6; b7C;
Page 73 ~ b3; b6; b7C;

XXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X For this Page X
XXXXXXXXXXXXXXXXXXXXXXX

X AIRTEL

4/7/87

TO: DIRECTOR, FBI
(ATTN: [redacted] ORGANIZED CRIME SECTION) b6 b7C

FROM: SAC, CHICAGO (183B-2151) (SQUAD 7B)

PATRICK MARCY, aka
Pat Marcy;
ET AL
RICO-BRIBERY-ECT
OO: CHICAGO

Enclosed for the Bureau are the original and four copies of a Group I undercover proposal. Attached to each proposal is a letter signed by GARY SHAPIRO, Chief, U.S. Department of Justice Strike Force indicating he has read the proposal and fully endorses it.

For information of the Bureau, Chicago Division is aware that another undercover proposal, code name PANDERE has recently been submitted for approval. Though certain aspects of this proposal appear to be similar, this proposal intends to utilize entirely different avenues in efforts to reach its stated objectives. In addition, the scope of this proposal intends to extend beyond the Fourth Judicial District of the Cook County Court System to include the targeting of Chicago LCN members and associates.

3- Bureau (Encls. 5)
(1- Undercover and Special Operations Unit)
2- Chicago
JSD/pkk
(5)

183B-2151-66

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
APR 7 1987
FBI-CHICAGO

Chicago Division is also aware that the objectives of this UCO touch both the Organized Crime and Public Corruption Programs. In efforts to adequately address the administrative and investigative requirements of each program Chicago has assigned a supervisor and a case agent from both programs to manage and coordinate the project.

For further information, [redacted] United States Attorney, Northern District of Illinois, has indicated that he is meeting with representatives of FBIHQ, Department of Justice and United States Attorneys from around the country in Washington, D.C. on April 8, 1987 in efforts to discuss and update the current DOJ-OLC opinion regarding [redacted] Chicago anticipates a letter endorsing the enclosed project to follow shortly thereafter. b6 b7C b7D

Memorandum of understanding will be executed with the appropriate agency once the scenario locations have been finalized. Similarly, a contract agreement between the FBI and the cooperating witness will be forwarded to the Bureau within the near future.

I. PURPOSE

The following proposal is being submitted by the Chicago Division in order to initiate a Group I Undercover Operation (UCO). This is a new UCO and is intended to primarily target corruption within the Cook County, Illinois judiciary. In this regard it is believed that the UCO will result in further impact on corruption within the judiciary, first addressed by the "GREYLORD" investigation.

Related to the corruption within the judiciary, the UCO will target major Organized Crime-LCN figures alleged to exert influence over the Cook County Judiciary for the purpose of "fixing" the outcome of criminal court cases.

The UCO will further target Chicago LCN members and associates presently involved in organized criminal acts for the purposes of developing prosecutable cases and expanding Chicago's intelligence base on Organized Crime and La Cosa Nostra activities.

II. OBJECTIVES OF THE OPERATION

The primary objective is to determine the scope of influence of Chicago LCN figures in the Cook County judicial system and to obtain evidence against these subjects, specifically PATRICK MARCY, [redacted] b6 b7C and others yet unknown, regarding their influencing/fixing of cases and appropriately charge the subjects with RICO-BRIBERY and Hobbs Act Violations. In addition to judges, Chicago hopes to identify and develop cases on Chicago/Cook County Police Officers and other court personnel involved with these figures.

Chicago is currently preparing a Title III affidavit for [redacted] b3 to conduct illegal business. Development of the proposed undercover proposal will assist in the development of this affidavit.

In addition, the UCO will [redacted] b7E

III. BACKGROUND INFORMATION

A. Crime Problem (s)

Historically the City of Chicago is renown in the area of Public Corruption. As has been documented by Chicago Division investigations such as GREYLORD, MARQUETTE TEN and the (COOK COUNTY BOARD OF TAX APPEALS), few areas of government are immune from corruption. It has been demonstrated by these investigations that there is a broad range of corrupting influences that exist involving both public officials and persons outside government.

This UCO will be directed at the influences exerted on the Criminal Justice System, specifically, the courts and police, by the LCN groups operating in the Chicago area. The primary tool used by these LCN figures in their efforts to influence a case is bribery. From information developed to date, the Chicago Division believes that the cases that are fixed by Organized Crime groups usually involve principle LCN figures themselves, their friends or associates. Information developed indicates that the types of bribery will usually be in the form of money or in many cases a favorable disposition is returned as a political favor for the support received from LCN figures with considerable political clout in certain political wards.

Currently the Chicago investigation is centered around information provided by a Cooperating Witness (CW)

[redacted]

b6
b7C
b7D

acquainted with PATRICK MARCY, a LCN member with strong political ties throughout Chicago, especially the 1st Aldermanic

Ward, a known stronghold of the Chicago LCN.

[redacted] b6 b7C b7D

The CW further provided information in regard [redacted] b6 b7C b7D

The first case was a murder case [redacted] involving members of the [redacted] known as [redacted]. According to the CW, arrangements were made between [redacted], which is located in the 1st Aldermanic Ward; Alderman FRED ROTI; and PATRICK MARCY, [redacted] with approximately [redacted] paid to MARCY and Alderman FRED ROTI, [redacted]

[redacted] b6 b7C b7D

b6
b7C
b7D

The defendant was subsequently acquitted [redacted]

Predication of corruption exists [redacted] with the Operation GREYLORD investigation and the Chicago investigation entitled [redacted]

In addition to the above cases, the CW has also [redacted]

The CW has also indicated that he had been approached [redacted]

Investigation of the above state case by the Chicago Division includes several consensually monitored incriminating conversations between the CW, [redacted]

The CW's association with [redacted]

The Chicago Division became involved with the CW in [redacted] b6 b7C b7D

On [redacted] the CW made three consensually monitored telephone calls. The first call was made to [redacted]

The CW made an additional consensually monitored call to a [redacted] also known as [redacted]

On the same day, the CW also engaged in another consensually monitored conversation with [redacted] b6 b7C b7D

[redacted]

On [redacted] the CW engaged in a consensually monitored conversation with [redacted]

[redacted]

On [redacted] the CW engaged in a consensually monitored conversation with [redacted]

[redacted]

During this meeting, [redacted] also spent a considerable amount of time expressing his concern about the fact that the CW [redacted]

To date, the CW has engaged in approximately 80 consensually monitored telephone and in person conversations with the above individuals as well as other various [redacted]

[redacted]

b6
b7C
b7D

Also included in the above conversation are several consensually monitored conversations with [redacted]

Synopsis of other pertinent monitored conversations are detailed in the individual subject section of this section of this UCO proposal.

As has been indicated by the above mentioned events, the CW has either participated in or has been solicited to participate in activities in violation of several State and Federal Statutes, to include, Hobbs Act Violations (Title 18, USC, 1951) and Racketeering Violations (Title 18, USC, 1962) predicated on violations of state bribery and gambling statutes as well as conspiracy to violate the above statutes.

It is anticipated at this time that the UCO will be an FBI operation, and will be closely monitored by the U.S. Attorney's Office and the U.S.D.O.J. Strike Force. The Cook County States Attorney's Office, the Illinois State Police and possibly the Chicago Police Department will be notified as the need arises. [redacted] CHICAGO POLICE DEPARTMENT (CPD), Special Investigation Unit has been notified in regard to the above investigation involving Chicago Police [redacted] A memorandum of understanding has not been executed at this time, nor have representatives of the above agencies, excluding the CPD, USA's Office and U.S. Strike Force been contacted.

b6
b7C

Information from various sources has confirmed that the Chicago LCN controls or influences the vast majority

of gambling and loan shark operations in the Chicago area. Gambling and loan shark activities have traditionaly been the chief source of Chicago LCN revenues. If such an operation is LCN controlled the revenues go directly to the LCN. Where an independent controls the operation, street tax is charged. Chicago gangland slayings are very often the result of struggles for gambling-loan shark revenues and/or related territory. The Chicago LCN's emphasis on gambling-loan shark operations is best exemplified by the selection of LCN leadership in Chicago, which has traditionally consisted of individuals who have risen from the ranks of LCN through their involvement in this activity.

In addition, it has been determined that these individuals also exert an inordinate amount of influence within Chicago political circles, specifically the First Aldermanic Ward, long considered a LCN political stronghold as well as the local judiciary where it has been determined that several of the judges currently on the bench in the Cook County Circuit Court were nominated/elected due to the influence of certain LCN figures, specifically, PATRICK MARCY, the First Ward Aldermanic Secretary.

B. Subjects Involved in Criminal Activity

The following are the principal subjects to be targeted by this UCO:

PATRICK MARCY - known associate of JOHN D'ARCO and the late SAM GIANCANA, is considered the Chicago LCN's number one political/judicial fixer. Allegedly, MARCY is responsible for making contact with members of the Chicago Judiciary, law enforcement and other public officials when an Organized Crime/LCN member's interest is at stake. MARCY has also been implicated as being responsible for the fixing of a murder case involving high level Chinese Organized Crime figures and a case involving the attempted murder of a police officer. In both instances,

[redacted]

b6
b7C
b7D

[redacted]

b6
b7C
b7D

In addition to the information provided by the CW, additional information has been developed as a result of the GREYLORD investigation which includes a statement

[redacted]

b6
b7C

[redacted]

b7E

On [redacted] the CW engaged in a consensually monitored conversation with [redacted]

[redacted]

[redacted]

b6
b7C
b7D

[redacted]

[redacted] b6 b7C b7D

In addition, [redacted] related, in a recently monitored conversation, that he had received information [redacted]

Both [redacted] indicated to the CW that he was not under any suspicion.

Based on the above details Chicago intends to review [redacted] b6 b7C

In addition, the GREYLORD investigation has developed substantial predication identifying [redacted] b6 b7C b7D

[redacted] During a recent consensually monitored conversation between the CW and [redacted]

b6
b7C
b7D

In addition, information developed in the GREYLORD investigation indicates that

In a consensually monitored conversation on between CW and told CW that he had a contact who could reach out to further described his contact as not being "necessarily a legitimate contact.

The CW advised that he approached several months ago

The CW has also indicated some ties to the and may have limited access to PATRICK MARCY. The CW anticipates engaging in a consensually monitored conversation with

On the CW engaged in a consensually monitored conversation with

[redacted]

The CW felt, however, that [redacted] attitude was merely precipitated [redacted]

b6
b7C
b7D

In addition to the information provided by the CW, [redacted]

[redacted] More recently, on [redacted] CW [redacted] identified [redacted] The CW has been provided with telephone numbers by [redacted] Further, the CW has been consensually monitored on several occassions during the year [redacted]

[redacted]

[redacted]

b6
b7C

The following are subjects on whom predication for criminal activity presently exists but will not be targeted by this UCO. Chicago Division believes that additional evidence regarding these subjects may be developed during the course of this operation and further investigation may result.

FRED ROTI - Alderman, First Aldermanic Ward, City of Chicago, has been characterized by the CW as a political puppet of MARCY and other Chicago Organized Crime/LCN groups. Like MARCY, ROTI has allegedly been utilized by several Organized Crime/LCN and union figures over the years to act as a go-between in arranging for favorable dispositions in cases of interest to the above groups. ROTI has also been implicated by the CW as the individual who made the initial introductions between the CW and [redacted] in Chicago and [redacted] of all the gambling operations in the [redacted] regard to [redacted] The CW also indicated that ROTI was given part [redacted] and was responsible for getting the money to the appropriate individuals. Additional predication of criminal impropriety on the part of ROTI has been developed in the Chicago investigation "GREYLORD".

b6
b7C
b7D

ROTI is the [redacted]

JOHN D'ARCO, Sr.

Ostensibly the Democratic Party First Aldermanic Ward Committeeman, D'ARCO is identified by the CW as being a high echelon Chicago LCN member. D'ARCO outranks MARCY in the LCN hierarchy although D'ARCO refers LCN related municipal and judiciary "problems" to MARCY. CW advises that D'ARCO suffered a serious stroke four or five years ago and ever since then has been in semi-retirement.

CW is a [redacted]
CW knows D'ARCO, Sr. but [redacted] One such matter
was related above. On or about [redacted] CW went to D'ARCO [redacted]

b6
b7C
b7D

[redacted]

According to CW, [redacted] used to work for [redacted] Chicago. CW believes [redacted]

[redacted] of Chicago
LCN member ROCCO INFELISE and [redacted] INFELISE.

b6
b7C
b7D

CW has [redacted] in the past.
He states that he would be comfortable in obtaining
[redacted]

CW contacted [redacted]
in [redacted] CW requested that [redacted] intervene
[redacted] Subsequently, the pressure ceased and the [redacted]
A consensually monitored conversation between CW and
[redacted]

CW has [redacted]
[redacted] owes CW
$1,000 [redacted] In addition to contacting
[redacted] CW
also spoke [redacted] also confirmed the
[redacted] by means of a CM conversation between CW and
[redacted]

b6
b7C
b7D

Intelligence has indicated that for JOHN MONTELEONE, aka JOHNNY APES. is a known

CW was introduced to has contacted CW to and CW were in a consensually monitored conversation wherein indicated a willingness to pay

has also introduced to CW for the purposes

CW has in the past and has been a close associate.

Since early the CW has engaged in approximately three consensually monitored conversations with in which has discussed his desire to have the CW During these conversations, has also acknowledged paying known only as at this time.

b6
b7C
b7D

also known as

Since approximately mid the CW has engaged in approximately two consensually monitored conversations in regard to the above case involving During these conversations, acknowledged his role in helping to bring the CW

is also currently under investigation as a in the Cook County portion of the Chicago investigation "GREYLORD".

- is currently a According to the CW, he has paid

More recently, the CW was contacted by [redacted] and advised [redacted]

b6
b7C
b7D

During a consensually monitored telephone call, [redacted] agreed to meet with the CW to [redacted]

The CW still feels, however, that he could approach [redacted] in the future.

On [redacted] the CW engaged in a consensually monitored conversation with [redacted]

On [redacted] the CW engaged in another consensually monitored conversation with [redacted]

According to the CW, he has also paid [redacted] personally hand-to-hand for [redacted] The CW believes that [redacted] may still be approachable [redacted]

[redacted]

b6
b7C
b7D

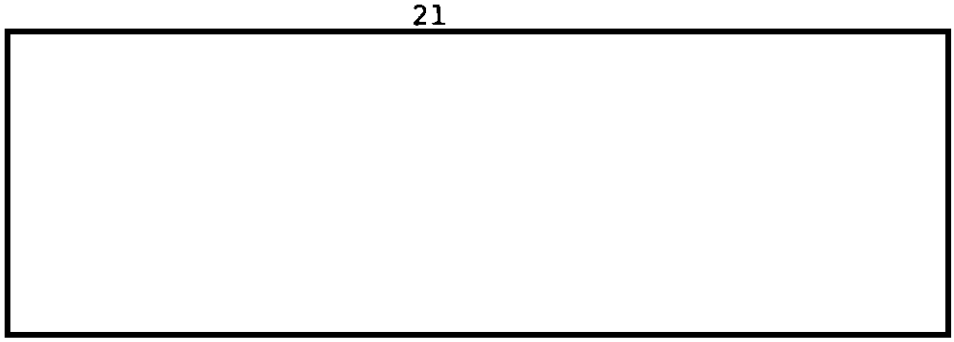
Due to pressure exerted on [redacted] by the [redacted]

OTHER BOOKMAKERS AND LOAN SHARKS

CW has numerous gambling contacts in the Chicago area which he has maintained. [redacted] He has bet with others in the past and is capable of reinitiating these relationships. [redacted]

The following is a list of those bookmakers/loan sharks, where consensually monitored conversations corroborate CW statements:

[redacted]



b6
b7C

C. Prior Investigation

1. To date, traditional investigative techniques utilized in this investigation have included the following; interviews of clients, defendants and court personnel identified through court records as having been involved with the targeted subjects; review of available financial records procured by IRS Task Force personnel; utilization of pen registers and authorized wire intercepts (Title III) physical surveillances of the subjects; follow-ups of all pertinent informant information and the utilization of a CW associated with several of the targeted individuals who attempted to engage in consensually monitored incriminating conversations with the subjects.

With the exception of information obtained by the CW through consensually monitored conversations, all other traditional investigation methods have failed to provide evidence sufficient enough to sustain an indictment and/or conviction.

2. To accomplish the objectives stated above, the UCO technique is essential. From the perspective of a public corruption investigation the above described bribery and case fixing activity always occurs secretly, usually between individuals who hold mutual trust for one another. In most cases their activity has been long-term and their bond is a strong one. To approach either in an interview or to bring them before the Federal grand jury seperately would likely prove fruitless. Each would realize that the only proof of a bribe would amount to the others' testimony against him and in the absence of corroboration would prove unsuccessful in convicting him.

Based on the information provided by the CW to date, coupled with information resulting from the consensually

monitored conversations [redacted] b6 b7C b7D

As indicated above, [redacted] Based on current Attorney General and Department of Justice guidelines governmental interference or influence in the cases has been strictly limited and in most cases prohibited.

In addition, the Chicago Organized Crime Program is currently preparing a Title III affidavit for telephone coverage [redacted] b3

Development of this proposed UCO will assist in the development of this affidavit.

IV. POTENTIAL FOR SUCCESS

Chicago Division fully expects the proposed UCO to be successful. The basis for this projection lies in the successful use of the CW over the [redacted] b7D [redacted] During that time the CW has displayed an ability [redacted] Further, it is felt that the technique, contacts and experiences developed in the GREYLORD investigation will greatly enhance the possibilities of a successful UCO.

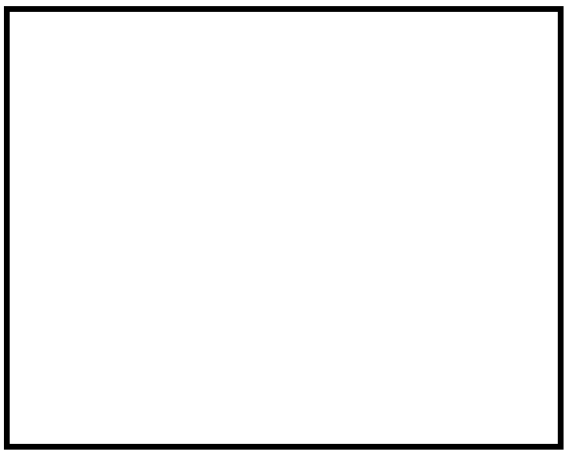
V. PROPOSED UNDERCOVER OPERATION

Preface

The below described scenario is an ambitious proposal. It is one, however, that the Chicago Division believes is reasonable. In this regard, careful consideration has been paid to several obvious areas of concern. These include the ability of the cooperating witness to support the scenario as well as the ability of the Chicago Division to support the proposal in terms of personnel, management and administration. Careful review of each area of concern leads the Chicago Division to believe the scenario can be addressed successfully.

As has been detailed, CW in this matter has provided substantial criminal predication regarding numerous individuals. However, Chicago believes that the targeting of the following individuals offers the greatest likelihood of a successful UCO:

1. PATRICK MARCY



b6
b7C

It is anticipated that additional subjects will be addressed through Title III coverage and extensions of this UCO. The Chicago Division has limited the number of targets at this time to assure manageability.

The Bureau should be aware that Chicago Division is in the process of presenting a second Undercover Proposal (UCP) in regards to an investigation code named: PANGERE. The PANGERE investigation targets LCN subjects separate from those enumerated in this UCP. As in this UCP, PANGERE proposes to utilize [redacted] b6 b7C b7E this UCP and on whom significant criminal predication exists. It is possible that evidence gathered in the PANGERE undercover operation will compliment the investigation efforts proposed herein. Conversely, evidence gathered as a result of this UCP may further develop evidence in PANGERE. Chicago has established supervisory and case Agent liaison between these two, separate investigations, that will continue through the termination of both.

Scenario

[redacted] b6 b7C b7E

It should be noted that Chicago believes that the above scenario, as a whole, will be successful and at the end of the UCO, will likely submit a follow-up proposal to utilize the above scenario against additional judges and LCN figures identified herein.

The CW has been apprised of the above scenario and based on his past associations, also believes the scenario will be successful.

VI. FINANCIAL ASPECTS

The below identified expenses support the proposed scenario as follows:

Expense Category		b7E
1)		
2)		
3)		
4)		
5)		
6)		
7)		
8)		
9)		
10)		
11)		
12)		
13)		
14)		
15)		
16)		
17)		
TOTAL		

VII. MANPOWER REQUIREMENTS

Due to the dual impact on both the White Collar Crime Program and the Organized Crime Program, this UCO will require two full-time contact/case Agents; one from the White Collar Crime/Public Corruption Program and one from the Organized Crime Program. In addition, the UCO will require the services of a Special Agent Accountant (SAA) to maintain the required books and records as well as satisfy the reporting requirements. For security purposes, reports regarding this UCO will be assigned to one steno.

[redacted] b7E

The following is a breakdown of required personnel. b7E

[redacted]

Full-time case Agents 2
Part-time SSA
Chicago Stenographer 1

VIII. TECHNICAL EQUIPMENT

Chicago anticipates the utilization of the following technical equipment, which is expected to be provided by FBIHQ and/or Chicago Division:

1.
2.
3.
4.
5.
6.
7.
8.

b7E

IX. EXEMPTIONS

Exemptions considered necessary are as follows:

1. [redacted]

2. [redacted] b7E

3. [redacted]

X. SUITABILITY OF UC TECHNIQUE

A. The Chicago Division is convinced that the UCO discussed herein is the single-most effective way to attack the problem of judicial corruption, especially in those cases involving OC figures and/or their friends or associates. While the Operation GREYLORD investigation has had a significant impact on the overall judicial system, it has still failed to reach the corrupting influence exerted by Organized Crime. As illustrated herein in the case involving [redacted] Organized Crime is still able to exert its influence on the judicial system. In this respect, the opportunity afforded [redacted] in Chicago should receive every consideration. This technique will also provide an opportunity to develop prosecutable cases against LCN controlled bookmakers/loansharks.

b6
b7C
b7D
b7E

[redacted]

As previously indicated herein, the CW has indicated that he is willing to testify in any court hearing that may develop in this UCO.

There appears to be little if any possibility for violence or adverse media/public reaction in this project.

[redacted] b7D b7E

It is important to note that the CW came to the government and elected to cooperate on his own volition. He has been made no promises or given any guarantees by the government at this time.

In addition, the CW has been extensively debriefed by the Special Agents, Special Agent Supervisors, Assistant U.S. Attorneys and Strike Force Attorneys involved in the case. Based on the results of the interview and the CW's performance, to date, the above individuals feel that the CW is sincere in his desire to help the government in their investigative efforts.

A personal service contract and immunity agreement will be executed prior to the implementation of this UCO.

XII. PRINCIPAL LEGAL ADVISOR ANALYSIS

This undercover (UC) proposal includes a number of undercover scenarios which raise several issues for consideration.

[redacted]

b6
b7C
b7E

criminal conduct is minimized. Furthermore, no UC activity or criminal conduct will be directed at any individuals or officials that are not targets of the investiation.

[redacted] b7E

In this UC scenario of [redacted]

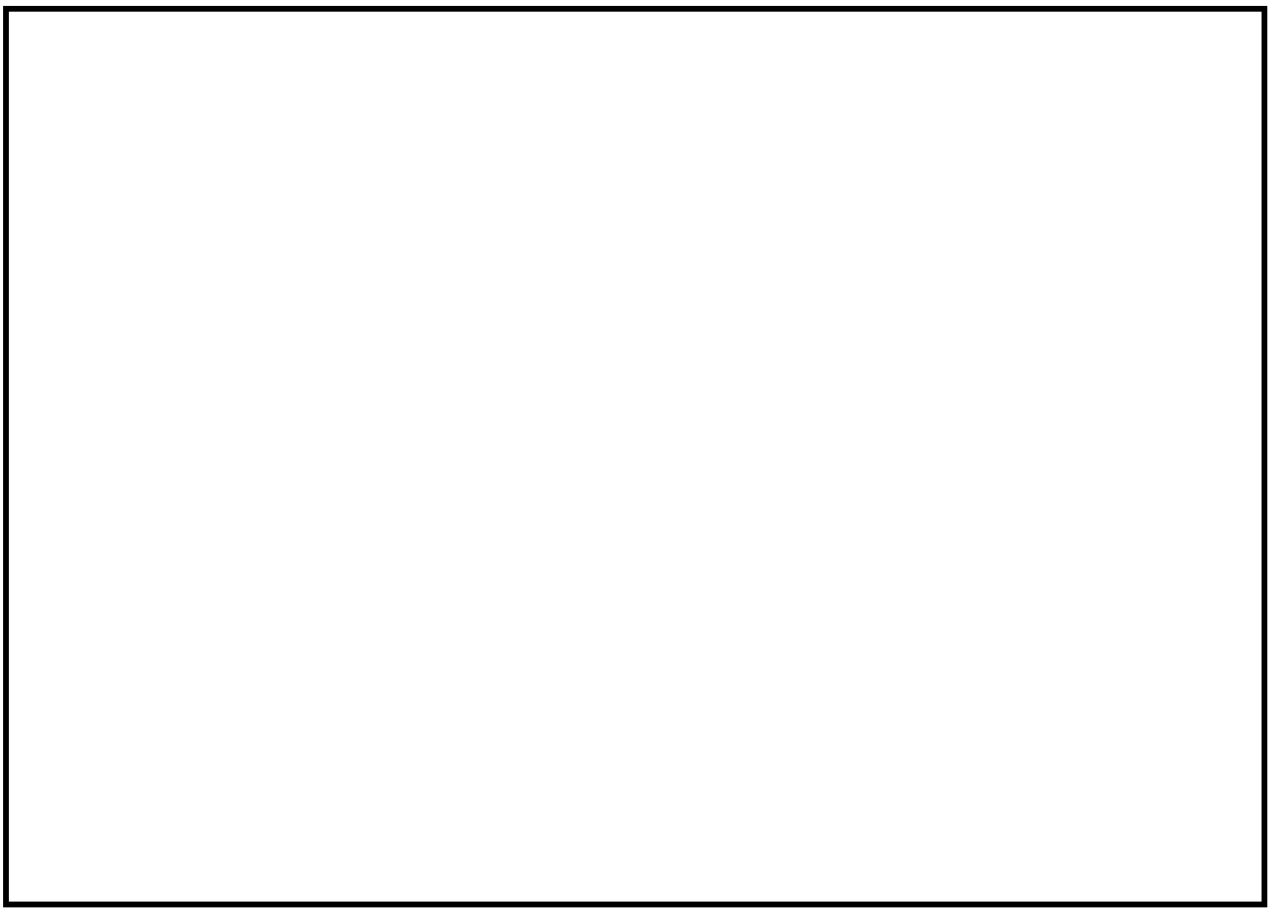
[redacted] b7D b7E

[redacted]

With respect to the question of whether the [redacted]

[redacted] the Chicago Division is aware that this is a very sensitive issue. Since this issue is to be addressed by representatives of the United States Attorney's Office, Northern District of Illinois, the Department of justice, and FBIHQ, at a meeting scheduled for the early part of April, 1987, this issue will not be further discussed iin this proposal.

This proposal does not present any unusual entrapment or due process type legal problems.



b7E

Other phases of this UC proposal appear to be anticipatory at this time; however, these phases appear not to involve any unusual legal issues that have not been addressed previously in similar UC proposals.

In summary, this operation focuses on a significant and worthwhile target with no legal or policy considerations that depart from conduct within acceptable bounds of law enforcement.

XIII. MANAGEMENT

At this time, there is regular liaison between the case Agents and managing supervisors regarding case developments and strategy. Once the UCO is in place, daily liaison will be established in order to address issues and developments in a timely fashion.

In addition, the U.S. Attorney's Office and Chicago Strike Force, Chief have been actively involved and have assigned appropriate personnel to facilitate the UCO.

Chicago believes that the transcription and review of consensually monitored conversations generated by this UCO can be successfully managed by personnel currently assigned to the OC and PC Programs within the Division.

XIV. SAC COMMENTS:

Special Agent in Charge, JAMES D. MC KENZIE, has reviewed this proposal and is in complete agreement with the use of the undercover technique as envisioned by this UCO proposal. SAC MC KENZIE has also reviewed the projected use of manpower and equipment during the UCO and has found that use justifiable and sound and is committed to its use during the life of the project.

XV. ANTICIPATED GOALS AND OBJECTIVES (After the first six months)

The [redacted] b7D
[redacted] offers the Chicago Division a unique opportunity to make significant progress in attacking both of these criminal elements. This UCO is purposely narrow in scope, in order to insure success. It is fully anticipated that the expected accomplishments of the UCO, with concurrent Title III investigation, will develop additional major subjects and avenues of investigation.

The Chicago Division has already amassed significant predication on numerous judicial subjects by means of the GREYLORD investigation. The investigative opportunities provided by the proposed UCO should support and develop information already gathered to ensure successful prosecution and/or further productive investigation.

As has been pointed out in this proposal, the [redacted] Each is considered a major Chicago LCN figure. b6 b7C
Since the [redacted] have assumed a greater role in the running of LCN activities b7D
[redacted] of Chicago. [redacted] provides an unprecedented foundation on which to build prosecutable cases.

Historically [redacted] the Chicago LCN's [redacted] Crew. [redacted] on the [redacted] side of Chicago and near [redacted] operates out of the [redacted] a known LCN establishment.

[redacted]

U.S. Department of Justice

Criminal Division

Organized Crime and Racketeering Section
Chicago Strike Force

GSS:ml/73

219 South Dearborn Street, Room 1402
Chicago, Illinois 60604

312/353-5267

February 27, 1987

James D. McKenzie
Special Agent in Charge
Chicago Division
Federal Bureau of Investigation
219 South Dearborn
Chicago, Illinois

Re: Undercover Proposal - Judicial Corruption/Chicago LCN

Dear Mr. McKenzie:

I am in complete accord with the goals and procedures of the Group 1 Undercover Operation (UCO) proposal being submitted by the Chicago Division of the FBI, which targets Cook County Illinois judicial corruption and the Chicago La Cosa Nostra.

I have met and debriefed on a number of occasions the cooperating witness around whom this UCO is based, and without exaggeration, I believe [redacted] enforcement in this area within anyone's memory. To my knowledge, we have never been able to demonstrate in any significant (and certainly in any prosecutable) way the influence of the Chicago LCN over Chicago and Cook County politics, the selection and retention of judicial candidates, and the day to day administration of justice. In my judgement, this UCO proposal - centered as it is around a cooperating witness [redacted] b7D presents federal law enforcement with its first practical opportunity to significantly prosecute and, perhaps, begin to break that corrupt tie.

If anything, the first stage of the proposed UCO is a reasonably modest, manageable proposal which only begins to explore the possibilities presented by the cooperating witness. As is noted in the final section of the proposal (Anticipated Goals and Objectives), [redacted] Chicago LCN figures who are not targets of the first stage of the UCO. Since the convictions of much of the Chicago LCN leadership in early 1986 in Kansas City, the positions of both have increased in importance. The cooperating witness' [redacted]

The investigative techniques outlined in the proposal - primarily the [redacted] do not present any novel legal issues not previously considered, litigated, and favorably resolved on appeal as a result of the Greylord trials. The only substantial change in the Greylord scenario presented here is the use of [redacted]

b7D
b7E

[redacted]

[redacted]

I am currently handling the Strike Force side of this investigation personally. I intend to continue my involvement and to add at least one, and perhaps two, senior Strike Force attorneys to work on this investigation as the undercover project and related Title III's come on stream. I view this undercover proposal and its related investigations as one of the major priorities of this office, and will assign whatever legal resources are necessary to its successful conclusion.

Very truly yours,

Gary S. Shapiro

GARY S. SHAPIRO
Attorney in Charge

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 9/30/87

TO: DIRECTOR, FBI
Attn: [redacted] b6 b7C
Organized Crime Section, CID

FROM: SAC, CHICAGO (183B-2181) (P) (SQ 7B)

SUBJECT: PATRICK MARCY;
ET AL;
RICO-BRIBERY;
OO: CHICAGO

The purpose of this communication is to request the implementation of an Investigative Support Information System (ISIS) database for the captioned investigation.

For the information of the Bureau, the above case is being handled as a joint matter between the White Collar Crime Public Corruption and Organized Crime squads in the Chicago Division. Since its opening, this case has generated over 44 administrative and subject subfiles and will soon be utilizing a Title III and Group One Undercover project.

It is expected that this case will not be ready for trial for at least one year from the present; therefore, as subject and administrative data for this case increases, the organizational and investigative support ISIS can provide will be greatly beneficial to a successful prosecution.

2 - Bureau
(2) - Chicago
1 - 242-2 SUB B
CSI
(4)

183B-2181-77

SEARCHED
SERIALIZED
INDEXED
FILED

Approved: Transmitted (Number) (Time) Per

Request of the Bureau

It is requested the Bureau authorize the utilization of ISIS in this matter, under the database name GAMBAT.

It should be noted that Chicago has six ISIS analysts whose current work load will allow an additional case to be opened. Furthermore, the Chicago unit is authorized to set up its own ISIS databases, which precludes the need for travel by Bureau personnel.

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] _____

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 3/18/88

FM CHICAGO (183B-2181)(P) (SQ. 7B)

TO DIRECTOR ROUTINE

BT

UNCLAS

ATTN: UNDERCOVER AND SENSITIVE OPERATIONS UNIT,

AUTOMOTIVE MANAGEMENT UNIT, ORGANIZED CRIME SECTION

GAMBAT;

CHICAGO DIVISION REQUESTS FBIHQ TO PROVIDE A SEIZED VEHICLE APPROPRIATE FOR SURVEILLANCE AND FREQUENT CONTACTS WITH A COOPERATING WITNESS BEING UTILIZED IN THE ABOVE INVESTIGATION. ABSENT THE AVAILABILITY OF A SEIZED VEHICLE CHICAGO REQUESTS AUTHORITY TO LEASE A SUITABLE VEHICLE.

BY WAY OF BACKGROUND, THE ABOVE INVESTIGATION WAS INITIATED ON [redacted] WHEN THE CW, [redacted] CONTACTED GARY SHAPIRO, CHIEF U.S. DEPARTMENT OF JUSTICE STRIKE FORCE IN CHICAGO AND ADVISED THAT HE WISHED TO PROVIDE INFORMATION IN REGARD TO

b6
b7C
b7D

JSB/apt
(1) apt

183B 2181-81

Approved: AKT/WG Transmitted [redacted] (Number) APT/P (Time) Per 078/0027

b6
b7C

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] _____

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date _____

^PAGE TWO CG 183B-2181 UNCLAS

OC/LCN GAMBLING ACTIVITIES AND PUBLIC CORRUPTION MATTERS WITHIN THE CHICAGO AREA.

ON [redacted] AGENTS OF THE CHICAGO DIVISION FBI CONTACTED AND INTERVIEWED THE CW. DURING THESE INTERVIEWS THE CW PROVIDED BACKGROUND INFORMATION IN REGARD TO [redacted] b7D [redacted] THE CW FURTHER AGREED TO COOPERATE WITH THE FBI IN AN INVESTIGATION TO INCLUDE THE CONSENSUAL MONITORING OF IN-PERSON AND TELEPHONIC CONTACTS HE MAY HAVE WITH SUBJECTS DEVELOPED IN THIS INVESTIGATION. THE CW ALSO b7D b7E [redacted]

TO DATE, THE CW HAS ENGAGED IN APROXIMATELY 140 CONSENSUALLY MONITORED TELEPHONIC AND IN-PERSON CONVERSATIONS WITH SEVERAL [redacted] AND OTHERS THAT HAVE RESULTED IN VARYING DEGREES OF EVIDENTIARY VALUE.

IT IS FURTHER ANTICIPATED THAT THE CW WILL HAVE ADDITIONAL TELEPHONE AND IN-PERSON CONTACT WITH THESE INDIVIDUALS AS WELL AS b7D SEVERAL OTHER YET UNKNOWN INDIVIDUALS, TO INCLUDE [redacted]

Approved: _____ Transmitted _____ (Number) (Time) Per _____

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] _____

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date _____

^PAGE THREE CG 183B-2181 UNCLAS

[redacted] b7D

DUE TO THE RECURRING ROUNDS OF INDICTMENTS IN THE GREYLORD INVESTIGATION AND THE PRESSURE BEING APPLIED ON THE CHICAGO "OUTFIT" BY THE FBI AND LOCAL AUTHORITIES AS THE RESULT OF THE RECENT UNSUCCESSFUL ATTEMPT ON THE LIFE OF CHICAGO LCN MEMBER [redacted] b6 b7C IT IS FELT THAT THE CW'S FUTURE CONTACTS WITH THESE INDIVIDUALS AND HIS CONTACT WITH THE FBI BE HANDLED WITH A GREATER DEGREE OF SECURITY.

BASED ON THE ABOVE INFORMATION SAC, CHICAGO CONCURS THAT THE UTILIZATION OF A NON BUREAU VEHICLE FOR SURVEILLANCES AND CONTACTS IS IMPERATIVE TO THE SECURITY OF THE CW AND THE INVESTIGATION.

BT

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

A. SQUAD 7B - FILE NUMBER: 183B-2181 (P) WCC/OC

B. TITLE: GAMBAT;

C. CASE AGENT: [redacted] b6 b7C

D. DATE OPENED: 3/20/86

E. PREDICATION/SUMMARY OF CASE:

The above investigation is predicated on information provided by a Cooperating Witness (CW) and corroborated by the GREYLORD investigation, as well as several other Chicago OC investigations. On [redacted] b7D the (CW) in this matter contacted GARY SHAPIRO, CHIEF, U.S. Department of Justice (DOJ) Strike Force in Chicago and advised that he wished to provide information in regard to LCN/OC gambling activities and public corruption matters in the Chicago area. The CW further agreed to participate in the investigtion and to date, has engaged in approximately 135 consensually monitored in person and telephonic conversations with approximately 15 individuals. Chicago has also submitted a Group I undercover proposal.

F. DESCRIPTION OF COOPERATING WITNESS CONTRIBUTION TO CASE:

To date the CW has engaged in 150 consensually monitored conversations with approximately 25 individuals, to include [redacted]

G. ACCOMPLISHMENTS:

Approximately 20 indictable cases are anticipated at this time.

H. INVESTIGATION REMAINING:

An initial Group I proposal was submitted to FBIHQ on 4/7/87, however, due to the legal issues presented, the proposal was not brought up for consideration. On 4/14/88, a second Group I proposal was submitted and was approved on May 10, 1988.

315 main-87

Memorandum

To : SAC, CHICAGO (183B-2181) Date 9/15/88

From : SA [redacted] (Sq. 7B)

b6
b7C

Subject : GAMBAT;

The purpose of this memo is to request a change of alpha designator from 183A-2181 to 183B-2181.

ISIS ENTRY
TO BE ENTERED YES ✓
NO
RECD RETD
ANALYST mer

JSB/apt
(1) apt

183B 2181-MAIN-93
SEARCHED INDEXED
SERIALIZED mc FILED mc
SEP 15 1988
[redacted] AGO

b6
b7C

Memorandum

To : SAC, CHICAGO (179-841) Date 11/3/88

From SSA [redacted] (SQUAD 7B)
SSA [redacted] (SQUAD 7A)

b3
b6
b7C

Subject:

SPIN-OFF TARGETS
TITLE III COVERAGE
OF [redacted]
AND [redacted]

The purpose of this memo is to list target responsibilities with reference to evidence obtained from Title III coverage on captioned numbers:

Squad 7A case agent will be SA [redacted] Squad 7B case agent will be SA [redacted]

Squad 7A's targets will be:

1. [redacted]
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.

b3
b6
b7C

10 - Chicago
(1 - SAC)
(1 - ASAC [redacted]
(1 - SSA
(1 - SSA
(1 - SSA
(1 - SSA
(1 - SSA
(1 - SA
(1 - SA
(1 - SA

ECS/ds
(10)

183B-2181 Serial 99

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
NOV 0 2 1988
FBI-CHICAGO

ISIS ENTRY
TO BE ENTERED YES ✓
NO
RECD RETD
ANALYST

Squad 7B's targets will be:

1. [redacted]
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.

b3
b6
b7C

All evidence with reference to [redacted]

All evidence with referenced to the corruption of public officials in [redacted] will be differed and referred to [redacted]

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

219 South Dearborn Street
Chicago, Illinois 60604

December 14, 1988

Honorable Anton R. Valukas
United States Attorney
Department of Justice
Fifteenth Floor - South
Everett McKinley Dirksen Building
219 South Dearborn Street
Chicago, Illinois 60604

Attention: Assistant United States Attorney
[redacted]

Re: GAMBAT

Dear Mr. Valukas:

This letter is to confirm a conversation between Special Agent (SA) [redacted] of the Federal Bureau of Investigation (FBI) and Assistant United States Attorney (AUSA) [redacted] on November 21, 1988, concerning the continued use of consensual monitoring equipment in the above captioned matter. Since [redacted] a Cooperating Wistness (CW) in the above matter has engaged in approximately 180 consensually monitored conversations [redacted] with approximately 24 individuals resulting in varying degrees of evidentiary value. It was also determined that the CW was in a position to engage in further incriminating conversations with additional individuals, to include, [redacted]

b6
b7C
b7D

Based on the investigation conducted, to date, AUSA [redacted] concurred with continued use of consensual monitoring equipment.

Very truly yours,

JAMES D. MCKENZIE
SPECIAL AGENT IN CHARGE

BY: [redacted]
Supervisory Special Agent

b6
b7C

This is duplicate [illegible] 11/24/89 [illegible] Sub C-178

1 - Addressee
1 - CG 183B-2181
JSB/apt
(2) apt

183B-2181-107

SEARCHED ____ INDEXED ____
SERIALIZED mc FILED mc
DEC 14 1988
FBI — CHICAGO

ISIS ENTRY
TO BE ENTERED YES ✓
NO ____
RECD ____ RETD ____
ANALYST mcr

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

219 South Dearborn Street
Chicago, Illinois 60604

February 27, 1989

Honorable Anton R. Valukas
United States Attorney
Department of Justice
Fifteenth Floor - South
Everett McKinley Dirksen Building
219 South Dearborn Street
Chicago, Illinois 60604

Attention: Assistant United States Attorney
[redacted]

Re: GAMBAT

b6
b7C
b7D

Dear Mr. Valukas:

This letter is to confirm a conversation between Special Agent (SA) [redacted] of the Federal Bureau of Investigation (FBI) and Assistant United States Attorney (AUSA) [redacted] on January 26, 1989, concerning the continued use of consensual monitoring equipment in the above captioned matter. Since [redacted] a Cooperating Wistness (CW) in the above matter has engaged in approximately 189 consensually monitored conversations [redacted] with approximately 24 individuals resulting in varying degrees of evidentiary value. It was also determined that the CW was in a position to engage in further incriminating conversations with additional individuals, to include, [redacted]

Based on the investigation conducted, to date, AUSA [redacted] concurred with continued use of consensual monitoring equipment.

Very truly yours,

JAMES D. MCKENZIE
SPECIAL AGENT IN CHARGE

BY: [redacted]
Supervisory Special Agent

b6
b7C

1 - Addressee
1 - CG 183B-2181
DG:apt
(2)

ISIS ENTRY
TO BE ENTERED YES ✓
NO
RECD RETD
ANALYST mer

183B 2181-108
SEARCHED INDEXED
SERIALIZED mc FILED mc
MAR 14 1989
FBI — CHICAGO

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page 32
Chicago Sun-Times
Chicago, Illinois
Date: July 14, 1989
Edition: Five Star Sports Final

Title: Commentary -
Sound-And Picture-Bites

Character:
or
Classification:
Submitting Office: Chicago

Indexing:

Commentary

Sound–and picture–bites

When some top pols lunched at their favorite restaurant across from City Hall, none had any idea that bugs were on the menu. While the FBI thought that what the pols were saying might be interesting enough to bug the place, one of the regulars, Ald. Fred Roti (1st), demurred, shrugging that he and his companions were just "kibitzing."

Maybe so. But can't you just picture it, as all those pols rack their brains trying to remember exactly what they were "kibitzing" about. It's probably not a pretty picture.

183B 2181-112

ISIS ENTRY
TO BE ENTERED YES ✓
NO
RECD RETD
ANALYST ner

SEARCHED INDEXED
SERIALIZED FILED
JUL 17 1989
AGO

b6
b7C

FBI

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 7/31/89

TO : DIRECTOR, FBI

FROM : SAC, CHICAGO (183B-2181) (P) (SQ.7B)

SUBJECT: CHANGED
GAMBAT;

Title marked changed to reflect new subjects of this investigation.

Re Bureau airtel to all SAC's entitled Code-Name/Code-Name Matter, Index Criteria and Guidelines, dated 9/1/82.

Listed below are additional subjects identified in captioned investigation submitted to the Bureau for appropriate indexing:

[redacted]

FRED ROTI

[redacted]

b6
b7C

ISIS ENTRY
TO BE ENTERED YES ✓ NO ____
RECD ____ RETD ____
ANALYST mer

2 - Bureau
1 - Chicago
JSB/apt
(3) apt

183B-2181-113
SEARCHED ____
SERILIZED mc
INDEXED ____
FILED mc

Approved: ____ Transmitted ____ (Number) (Time) Per ____

Memorandum

To : SAC, CHICAGO (183B-2426 SUB G)(P) Date 8/25/89

From : SA [redacted] (SQUAD 6A) b6 b7C

Subject: PATRICK MARCY, AKA;
ET AL;
RICO;
O: CHICAGO

For information of the file, "pertinent conversations" intercepted via NDI [redacted] have been separated by time periods (re [redacted]. These conversations were summarized and placed into "Sub M." b3

To facilitate investigative efforts, the conversations/summaries were examined and those that were identifiable in conjunction with a given situation or criminal matter have been set for the below by date, NDI, time and subject matter.

TIME	NDI	TIME	SUBJECT MATTER
[redacted]			

b3 b6 b7C b7D

1 - Chicago
DGC/bcb
(1)

ISIS ENTRY
TO BE ENTERED YES ✓ NO ____
RECD ____ RETD ____
ANALYST mel

SEARCHED ____ INDEXED ____
SERIALIZED 1/8 FILED ____
SEP 1 2 1989
FBI — CHICAGO

183B-2181 Main - 117

8-29-85

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 11/7/89

73G

FM FBI CHICAGO (183B-2181) (P)

FBI [redacted] /ROUTINE/

BT

UNCLAS

CITE: //3150:SQ7B//

PASS: SA [redacted]

SUBJECT: "GAMBAT"

RE TELCAL OF CHICAGO SA [redacted] TO SA [redacted] ON NOVEMBER 6, 1989.

CHICAGO DIVISION HAS UTILIZED A COOPERATING WITNESS (CW) IN CAPTIONED MATTER FOR THE [redacted] THROUGH THE EFFORTS OF CW APPROXIMATELY 250 CONSENSUAL MONITORINGS HAVE BEEN MADE OF [redacted] THE UNDERCOVER PHASE IS EXPECTED TO CONCLUDE

b6
b7C
b7D

[redacted] /48B

001

b6
b7C

Approved: JDM/DGr/mab Transmitted _____ Per _____

183B-2181 Main-124

PRINT FILENAME JBL00ID.311

FILTER FILENAME JCB00150.311

(Number) (Time)

MRI/J 1831/311 1874/311

ISN 23 24

ACCEPTED AT: 2029

OPERATOR'S INITIALS

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
NOV 08 1989
FBI CHICAGO

8-29-85

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

^PAGE TWO

[redacted]

CHICAGO DIVISION SPECIAL AGENT [redacted] WILL TRAVEL TO [redacted] IT IS REQUESTED SA [redacted] BE AVAILABLE ONE DAY DURING THIS PERIOD FOR A BRIEF INTRODUCTION TO CW.

BT

b6
b7C
b7D

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

PRINT FILENAME _____

FILTER FILENAME _____

MRI/J _____

ISN _____

ACCEPTED AT: _____

OPERATOR'S INITIALS

8-29-85

FBI

TRANSMIT VIA:
☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:
☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS
Date 11-29-89

7G
29G

FM FBI CHICAGO (183B-2181) (P)

TO FBI [redacted] /ROUTINE/

FBI [redacted] /ROUTINE/

BT

UNCLAS

CITE: //3150:SQ7B//

SUBJECT: GAMBAT; OO: CHICAGO.

RE CHICAGO TELCAL TO SAC [redacted] DIVISION SSA [redacted] [redacted] ON NOVEMBER 29, 1989.

FOR INFORMATION OF RECEIVING OFFICES CAPTIONED MATTER HAS BEEN IN GROUP I UNDERCOVER STATUS PERIODICALLY SINCE [redacted] THE CW HAS PROVIDED EXTENSIVE INFORMATION RELATING TO [redacted]

b6
b7C
b7D

CORRECTIONS, PAGES: 1 & 2

[redacted] EEP

024

b6
b7C

183B-2181-129

Approved: [redacted] Transmitted _____ Per _____
(Number) (Time)

PRINT FILENAME EEPC24D.333

FILTER FILENAME EEPD8454.333

MRI/J 2985/333

ISN 043

ACCEPTED AT: 2354

OPERATOR'S INITIALS BB

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
FBI — CHICAGO

8-29-85

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

^PAGE TWO

[redacted] b6 b7C b7D

[redacted] THESE INDIVIDUALS WILL BE CONTACTED BY BUAGENTS REGARDING THEIR CRIMINAL ACTIVITIES ON NOVEMBER 30, 1989.

[redacted]

[redacted]

CHICAGO DIVISION ANTICIPATES NO ACTIVE INVESTIGATION DURING THIS TIME AND REQUIRES NO ASSISTANCE FROM EITHER [redacted] DIVISIONS.

BT

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

PRINT FILENAME_____

FILTER FILENAME_____

MRI/J_____

ISN _____

ACCEPTED AT:_____

OPERATOR'S INITIALS _____

6-29-85

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority 3*
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

2G

FM FBI CHICAGO (~~183B-2181~~) (~~194A-828~~) (P)

TO DIRECTOR FBI/IMMEDIATE/

BT

UNCLAS

CITE: //3150:SQ 7B//

PASS: SSA [redacted] WCC SECTION, PUBLIC CORRUPTION UNIT;

SSA [redacted] ORGANIZED CRIME SECTION.

b6
b7C

SUBJECT: GAMBAT; OO: CHICAGO; [redacted]

[redacted] CSLPO-STATE LEVEL; OO: CHICAGO.

ON [redacted] CAPTIONED GROUP I UNDERCOVER OPERATIONS BECAME OVERT WITH THE IDENTIFICATION OF THE COOPERATING WITNESS (CW) AND THE INTERVIEWING OF [redacted] FIRST WARD ALDERMAN FRED ROTI, [redacted] LCN MEMBERS PAT MARCY AND [redacted] AND ADDITIONAL JUDGES, ATTORNEYS AND OTHERS.

[redacted] DECLINED TO BE INTERVIEWED.

ISIS ENTRY
TO BE ENTERED YES ✓
NO _____
RECD _____ RETD _____
ANALYST Mer

002

PJM 334

Approved: _____ Transmitted _____ Per 183B-2181-130
(Number) (Time)

PRINT FILENAME RTG001D.334

FILTER FILENAME _____

MRI/J _____

ISN _____

ACCEPTED AT: _____

OPERATOR'S INITIALS _____

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____

b6
b7C

6-29-85

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority 3*
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

^PAGE TWO UNCLAS ~~(CG 183B-2181) (194A-828)~~

FOLLOWING THE INTERVIEWS OF [redacted] THEY WERE GIVEN LETTERS SIGNED BY U.S. ATTORNEY ANTON R. VALUKAS INVITING THEM TO COME TO HIS OFFICE. THESE LETTERS WERE ALSO GIVEN TO ALDERMAN ROTI, PAT MARCY, AND [redacted] ON THE AFTERNOON OF 11/30/89 [redacted] ROTI, AND MARCY APPEARED BEFORE U.S. ATTORNEY VALUKAS WHO ADVISED THEM OF SOME OF THE EVIDENCE AGAINST THEM AND GAVE THEM A DEADLINE OF NOON ON 12/1/89 TO COOPERATE IN THE INVESTIGATION. [redacted] INTERVIEWED IN THE LATE P.M. 11/30/89 INDICATED HE WOULD PROBABLY SEE VALUKAS ON 12/1/89.

b6
b7C

MEDIA ATTENTION TO THIS INVESTIGATION FOCUSING ON THE INTERRELATIONSHIP BETWEEN PUBLIC CORRUPTION AND ORGANIZED CRIME IS EXPECTED.

ADMINISTRATIVE:

CW HAS PREVIOUSLY BEEN IDENTIFIED FOR FBIHQ.

BT

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

PRINT FILENAME _____

FILTER FILENAME _____

MRI/J _____

ISN _____

ACCEPTED AT: _____

OPERATOR'S INITIALS _____

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 7/18/90

TO : DIRECTOR, FBI
(ATTN: [redacted] AUTOMOTIVE UNIT) b6 b7C

FROM: SAC, CHICAGO (183B-2181) (SQ. 7B)

SUBJECT: GAMBAT

Re Chicago telcal to FBIHQ, 7/18/90.

Enclosed for the Bureau are the following forms; FD-540 and FD-369.

Chicago requests authority to lease a recreational vehicle to provide adequate security for a Cooperating Witness (CW) returning to the Chicago area for Grand Jury purposes. The leasing period will be from [redacted].

For information of the Bureau, on [redacted] a CW identified as [redacted] b7D contacted GARY SHAPIRO, Chief, United States Department of Justice Strike Force, in Chicago and advised that he wished to provide information in regard to OC/LCN gambling activities and public corruption matters with the Chicago Cook County area.

Based on the above contact, Chicago initiated an investigation directed at certain members of the "Chicago Mob" and their efforts to corrupt the Cook County political/judicial system as well as their extensive gambling/extortion operations in the Chicago/Cook County area.

2- Bureau
(2)- Chicago
JSB/kad
(4)

Approved: _____ Transmitted _____ (Number) (Time) Per _____

183B-0181 Sub Main-156

ISIS ENTRY

TO BE ENTERED YES ✓
NO
RECD RETD
ANALYST mer

SEARCHED INDEXED
SERIALIZED SP FILED SP

JUL 18 1990

[redacted]

b6
b7C

During the period [redacted] the CW in this matter engaged in several hundred consensually monitored conversations [redacted] b7D In addition, the CW participated in three separate Group I operations.

[redacted]

On [redacted] furnished Special Agent (SA) [redacted] with the below information:

By way of background, the source advised on [redacted] and subject of file [redacted]) was told to get out [redacted] The source added that [redacted] is close friends of [redacted] (phonetic) [redacted] had a "beef" with Alderman FRED ROTI as set forth below. [redacted] and went to Alderman ROTI for assistance in [redacted] however, ROTI wanted first $10,000 and then $25,000 for his services. As a result, [redacted] This occurred a year or two ago. [redacted] but ROTI wouldn't assist. [redacted] got mad, went to City Hall and threatened ROTI. JOHN DARCO, SR. called him in as a result. This may be the basis of [redacted] trouble. [redacted]

b6
b7C
b7D

The source further stated [redacted] runs the LCN's political interests in [redacted] used to work for [redacted]

INFORMATION HEREIN OBTAINED CONFIDENTIALLY; INFORMANT'S NAME IS NOT TO BE DISCLOSED IN REPORT OR OTHERWISE UNLESS IT HAS BEEN DECIDED DEFINITELY THAT THIS PERSON IS TO BE A WITNESS IN A TRIAL OR HEARING.

183B-2181-164

ISIS ENTRY
TO BE ENTERED YES ✓ NO
RECD RETD
ANALYST Mer

SEARCHED INDEXED
SERIALIZED FILED
NOV 9 1990
[redacted] CHICAGO
Sq 7B

b6
b7C